P.17

File No. 483

Collection No.

1935.

Office of the Resident

in Mysore.

CB 2/7/47 Mas 3/7

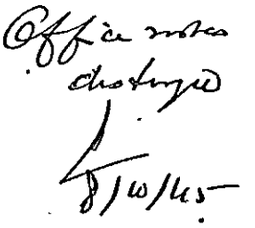
(W)

Pros. Serial Nos. 1 — 11

Subject.

Indian Finance Bill 1935- Income-tax assessments 1935-36

Previous References.	Later References.
208/31	533-36.
Indexed	A 19/9/45



CORRESPONDENCE.

S.N.1

OFFICE OF THE RESIDENT IN MYSORE
BANGALORE
27 MAR 1935
Regd No. 3041
File No.

All Commissioners of Income-tax, Assistant Commissioners, Income-tax Officers, Inspecting Assistant Commissioners, Appellate Assistant Commissioners, Members of the Board of Revenue, Income-tax Collectors, Income-tax Inspectors and Income-tax Sub-Inspectors.

Indian Income-tax Act, 1922 - Income-tax Circular No. 1-(50)-16.

[illegible]

[illegible]

2. Income-tax officers should keep a register to keep themselves fully seized of the work connected with assessments for 1935-36 or earlier years.

3. No notice need be taken of the individual assessment of co-partners whose shares are [illegible]. The Hindu undivided family should be assessed in the status of a Hindu undivided family and not as an association of persons.

4. Sections 22 and 23 [illegible] to [illegible] the case of [illegible] the end of the year [illegible].

I have the honour to be,

Your most obedient servant,

[illegible]

Joint Secretary to Government.

S.N.2

2

Issued 28.3.35 28.3.35

THE OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 28/3/ *1935.*

No. D.3041-35
R.O.I.

A copy of the undermentioned paper(s) is forwarded to the Assistant Commissioner of Income-tax, C.& M. Station, Bangalore, for information and -- guidance.

for information, in continuation of / with reference to the correspondence ending with (his)

Memorandum / letter / endorsement from

No. , dated the

By order, etc.,

Sd. A. J. Courtney.

for Secretary / ~~Asst.Secy.~~ to the Resident in Mysore. & Commr. of Income-tax

28/3

List of papers.

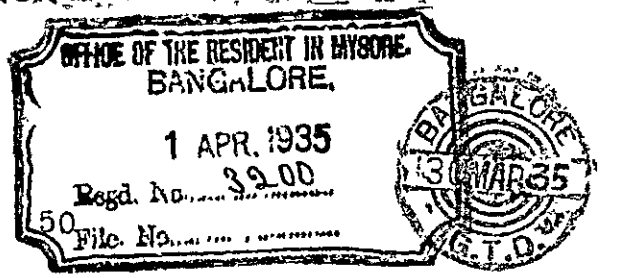
S.N. 1 (P.U.C.) Letter from the Second Secretary, Central Board of Revenue, C.No. 299-I.T./35, dated the 23rd March 1935.

28.3.35

C. R.

S. N. 3 No. 136

INDIAN POSTS AND TELEGRAPHS DEPARTMENT.



X 18/50 NEW DELHI 30 STE 50

COMINTAX BANGALORE

2441 T35 ORDINANCE UNDER ISSUE PRESCRIBING THAT PENDING PASSING OF FINANCE BILL TAXES DEDUCTABLE UNDER SECTION 18 INCOME TAX ACT SHALL BE DEDUCTED AT RATES PROPOSED IN BILL INFORM ACCOUNTS OFFICERS AND ANY EMPLOYERS WHO ENQUIRE ALSO INFORM PERSONS RESPONSIBLE FOR PAYING INTEREST ON SECURITIES - FINREV -

BY 21/2 237

The sequence of entries at the beginning of this telegram is—class of telegram, time handed in, serial number (in the case of foreign telegrams only), office of origin, date, service instructions (if any) and number of words.

This form must accompany any enquiry respecting this telegram.

MGIPPAh.—1308—2-1-35—10,700.

S. N. 4

4

THE OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 1/4/ *1935.*

No. F 483/35 Some abroad
R. O. I

Issued 4/4.35

A copy of the undermentioned paper(s) is forwarded to the Collector and Asst. Commissioner of Income-tax, C.& M. Station, Bangalore, for information, and guidance.

for information, ~~in continuation of~~ / ~~with reference to~~ the correspondence ending ~~with~~ (this)

~~Memorandum~~ / ~~letter~~ / ~~endorsement~~ from

~~, dated the~~

By order, etc.,

Rd. A. for Secretary.

For ~~Secretary~~ / ~~Asst. Secy.~~ to the Resident in Mysore. & Commr. of Income-tax.

1/4

List of papers.

.N.3 .U.C. Telegram from the Secretary to the Government of India, Finance Dept., (Central Revenues), to the Commissioner of Income-tax, Bangalore, No. 2441, dated the 30th March 1935.

1-4-35

S.N.5

5

Core Secs R/14/

2/4.3-4-35

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
1 APR. 1935
Regd. No. 3209
File. No.

C. No.299-I.T./35.

Central Board of Revenue.

New Delhi, the 26th March, 1935.

***

From

Rai Bahadur Pandit Ram Nath, B.A.,

Second Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

Sir,

INDIAN FINANCE BILL, 1935.

S.N.1 Corr. page 1 (B)

My letter C.No.299-I.T./35, dated the 23rd March, 1935.

****

In continuation of my letter quoted above, I am directed to enclose a copy of the Finance Bill, 1935, for information and to invite your attention specially to clause 6(5) of the Bill. You will be informed by telegram when the Bill becomes law.

I have the honour to be,

Sir,

Your most obedient servant,

27.3.35,

Second Secretary, Central Board of Revenue.

N.P.C.
27.3.35.

S.N.4

D.O.No. D.Dis. No.935-I.T./34.

CENTRAL BOARD OF REVENUE

New Delhi, the 29th March, 1935.

Dear Mr. Edwards,

INDIAN FINANCE ACT, 1934--SECTION 5(1)--SURCHARGE ON INCOME-TAX--COMPANIES AND REGISTERED FIRMS WITH A TOTAL INCOME OF LESS THAN Rs 2,000--

OFFICE OF THE RESIDENT IN MYSORE
BANGALORE
2 APR 1935
Regd. No. 3-3 of
File No.

Board's Circular No. 4 of 1933, dated 22.4.1933, and my letter No. 299-I.T./35, dated 26.3.1935.

S.N.5 (P.W.6 I.)

I am desired to refer to clause 5(1) of the Finance Bill, a copy of which has been sent to you with my letter quoted above, from which you will see that the drafting error in previous Finance Bills noticed therein has now been corrected. Companies and registered firms with a total income of less than Rs 2,000 will now be liable to the payment of surcharge

Yours sincerely,

Major C.G.N. Edwards

(for successor).

Commissioner of Income-tax,

Bangalore.

BIM.

S.N.7

7

Issued at once
5.4.35

THE OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 5/4/ *1935.*

No. F.483/35/R.O.I.

A copy of the undermentioned paper(s) is forwarded to the Assistant Commr. and guidance of Income-tax, C.& M. Station, Bangalore, for information, in continuation of endorsement from this Residency No. D.3041/35/R.O.I., dated the 28th March 1935.

S.N.2 'B'

for information, ~~in continuation of~~ with reference to the correspondence ~~ending with (his)~~

~~Memorandum~~
~~letter~~ from
~~endorsement~~

~~No.~~ , ~~dated the~~

By order, etc.,

Sd. A. J. Courtney.

For Secretary ~~Asst. Secy.~~ to the Resident in Mysore. & Commr. of Income-tax

---

List of papers.

(P.U.C.I) Letter from the Second Secretary, Central Board of Revenue, C.No. 299-I.T./35, dated the 26th March 1935, with enclosure,

S.N.6 (P.U.C.II) D.C. letter from -do- -do- D.Dis. No. 935-I.T./34, dated the 29th March 1935.

4-4-35

S.N. 3

No.Mis. 586.

OFFICE OF THE ASSISTANT COMMISSIONER OF INCOME-TAX, C. & M. STATION, 8

Bangalore, the 2nd April, 1935.

(1) 3/4/

FROM

L.J.MacIver, Esq., I.C.S.,

ASSISTANT COMMISSIONER OF INCOME-TAX,
CIVIL AND MILITARY STATION,
BANGALORE.

To

5-4-35

OFFICE OF THE RESIDENT IN MYSORE. BANGALORE. 3 APR. 1935 Regd. No. 3863. File. No. ...

The Secretary to the Hon'ble the Resident in Mysore and Commissioner of Income-tax, Civil and Military Station, Bangalore.

~~Subject~~

SIR,

I have the honour to state that your endorsement No.F.483-35/R.O.I., dated the 1st April, 1935, communicating Government of India, Finance Department (Central Revenues), Telegram No.2441, dated the 30th March 1935. was received too late in my office ~~for~~ to give effect to the orders of the Government of India as regards salaries, pensions and interest on securities paid by the Treasury Officer yesterday.

S.N.4 (B)

S.N.3 (B)

In the case of salaries and pensions, the excess recovery of tax and surcharge can and will be adjusted in the bills paid next month. But, in the case of securities, the excess surcharge recovered cannot, it appears, be refunded before the 1st April 1936.

I have the honour to be,
Sir,
Your most obedient servant,

L.J.MacIver

ASSISTANT COMMISSIONER.

DESPATCHED 2-APR 1935

9

S. N. 9

S.S

C. R. 15 No.

INDIAN POSTS AND TELEGRAPHS DEPARTMENT.

X MG SIMLA 21 STE 23

COMMISSIONER INCOME TAX CIRCL AND MILY STATION BANGALORE

INDIAN FINANCE BILL NOW LAW ASSESSMENT

PROCEEDINGS CURRENT YEAR MAY BE BEGUN

4.6 P.M. 24-4 35

OFFICE OF THE RESIDENT IN MYSORE, BANGALORE. 24 APR. 1935 Regd. No. 4019 File. No.

CEBOR

EY 34 16/30

The sequence of entries at the beginning of this telegram is—class of telegram, time handed in, serial number (in the case of foreign telegrams only), office of origin, date, service instructions (if any) and number of words.

This form must accompany any enquiry respecting this telegram.

MGIPAh.—1903—2-1-35—10,790.

S. N. 10

Home advance

THE OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

Bangalore, the 24-4- *1935.*

10

Issued 24/4/35

No. F.483/35/R.C.I.

A copy of the undermentioned paper(s) is forwarded to the Assistant Commr. o Income-tax, C.& M. Station, Bangalore, for information.

for information, in continuation of / with reference to the correspondence ending with (his) Memorandum / letter / endorsement from

, ~~dated the~~

By order, etc.,

For Secretary / ~~Asst. Secy.~~ to the Resident in Mysore. & Commr. of Income-tax

24/4

List of papers.

S.N.9 P.U.C.) Telegram dated the 21st April 1935 from the Central Board of Revenue.

24-4-35

S.N. 11

D.O.No. 294-I.T./35.

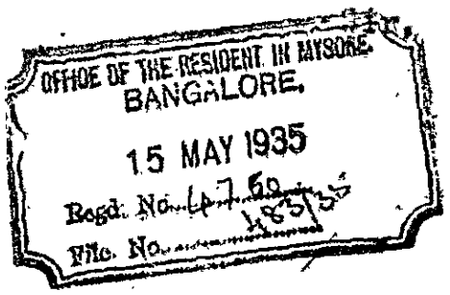
SIMLA, the 8th May 1935.

From

Rai Bahadur Pandit Ram Nath, B.A.,
Second Secretary, Central Board of Revenue

To

The Commissioner of Income-tax,
Civil and Military Station, Bangalore



Indian Finance Act, 1935-Copies of-
Supply of.

I am directed to enclose 6

copies of the Indian Finance Act, 1935, for information.

I have the honour to be,
Sir,
Your most obedient servant,

10-5-35
Second Secretary, Central Board of Revenue.

T.H.
9-5-35.

BILL

TO

Fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1934, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax and super-tax, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1934, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax and super-tax, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930; It is hereby enacted as follows:— XXXII of 1934. VI of 1898. XVIII of 1930.

Short title and extent.

1. (*1*) This Act may be called the Indian Finance Act, 1935.

(*2*) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

Fixation of salt duty.

2. The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma or Aden, be construed as if, for the year beginning on the 1st day of April, 1935, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section. XII of 1882.

Amendments of the First and Second Schedules to Act XXXII of 1934.

3. (*1*) In the First Schedule to the Indian Tariff Act, 1934,— XXXII of 1934.

in Items Nos. 61 (*2*) and 62 (*1*) for the words "Five annas per ounce" in the fourth column the words "Two annas per ounce" shall be substituted.

(*2*) In the Second Schedule to the Indian Tariff Act, 1934, the heading "SKINS" together with Item No. 3 under that heading shall be omitted. XXXII of 1934.

Inland postage rates.

4. For the year beginning on the 1st day of April, 1935, the Schedule contained in the First Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act. VI of 1898.

Income-tax and super-tax.

5. (*1*) Income-tax for the year beginning on the 1st day of April, 1935, shall be charged at the rates specified in Part I of the Second Schedule, increased in each

case, except in the case of total incomes of less than two thousand rupees falling under heading A in the said Part, by one-sixth of the amount of the rate.

(*2*) The rates of super-tax for the year beginning on the 1st day of April, 1935, shall, for the purposes XI of 1922. of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Second Schedule, increased in each case by one-sixth of the amount of the rate.

(*3*) For the purposes of the Second Schedule "total income" means total income as determined for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions XI of 1922. of the Indian Income-tax Act, 1922.

(*4*) For the purpose of assessing and collecting income-tax on total incomes of less than two XI of 1922. thousand rupees the Indian Income-tax Act, 1922, shall be deemed to be subject to the adaptations set out in Part III of the Second Schedule.

(*5*) For the purpose of any assessment to be made for the year ending 31st March, 1936, the rate of income-tax applicable to such part of the total income of any person as is derived from salaries or from interest on securities paid in the year ending 31st March, 1935, shall be the previous year's rate, and for the purposes of refunds under sub-section (*1*) or sub-section (*3*) of section 48 in respect of dividends declared in the year ending 31st March, 1935, or of payments made in the said year of salaries or of interest on securities, the rate applicable to the total income of the person claiming refund shall be the previous year's rate.

Explanation.—In this sub-section the term "previous year's rate" with reference to any person means the rate of income-tax which would have been applicable to his total income if he had been assessed for the year end ng 31st March, 1935, on a total income equal to that on which he is assessable for the year ending 31st March, 1936.

Excise duty on silver.

6. In sub-section (*1*) of section 3 of the Silver XVIII of 1930. (Excise Duty) Act, 1930, for the words "five annas" the words "two annas" shall be substituted.

SCHEDULE I.

Schedule to be inserted in the Indian Post Office Act, 1898.

[*See section 4.*]

" THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

[*See section 7.*]

Letters.

For a weight not exceeding half a tola	One anna.
For a weight exceeding half a tola but not exceeding two and a half tolas	One anna and three pies.
For every two and a half tolas, or fraction thereof, exceeding two and a half tolas	One anna and three pies.

Postcards.

Single	Nine pies.
Reply	One and a half annas.

Book, Pattern and Sample Packets.

For the first five tolas or fraction thereof	Nine pies.
For every additional five tolas or fraction thereof in excess of five tolas	Six pies.

Registered Newspapers.

For a weight not exceeding eight tolas	Quarter of an anna.
For a weight exceeding eight tolas and not exceeding twenty tolas	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas	Half an anna.

Parcels.

For a weight not exceeding twenty tolas	Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas	Four annas."

SCHEDULE II.

[*See section 5.*]

PART I.

Rates of Income-tax.

	Rate.
A. In the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—	
(1) When the total income is Rs. 1,000 or upwards, but is less than Rs. 1,500	One and one-third pies in the rupee.
(2) When the total income is Rs. 1,500 or upwards, but is less than Rs. 2,000	Two and two-thirds pies in the rupee.
(3) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000	Six pies in the rupee.
(4) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000	Nine pies in the rupee.
(5) When the total income is Rs. 10,000 or upwards, but is less than Rs. 15,000	One anna in the rupee.
(6) When the total income is Rs. 15,000 or upwards, but is less than Rs. 20,000	One anna and four pies in the rupee.
(7) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000	One anna and seven pies in the rupee.
(8) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000	One anna and eleven pies in the rupee.
(9) When the total income is Rs. 40,000 or upwards, but is less than Rs. 1,00,000	Two annas and one pie in the rupee.
(10) When the total income is Rs. 1,00,000 or upwards	Two annas and two pies in the rupee.
B. In the case of every company and registered firm, whatever its total income	Two annas and two pies in the rupee.

PART II.

Rates of Super-tax.

In respect of the excess over thirty thousand rupees of total income—	Rate.
(1) in the case of every company—	
(*a*) in respect of the first twenty thousand rupees of such excess	*Nil.*
(*b*) for every rupee of the remainder of such excess	One anna in the rupee.
(2) (*a*) in the case of every Hindu undivided family—	
(*i*) in respect of the first forty-five thousand rupees of such excess	*Nil.*
(*ii*) for every rupee of the next twenty-five thousand rupees of such excess	One anna and three pies in the rupee.
(*b*) in the case of every individual, unregistered firm and other association of individuals not being a registered firm or a company—	
(*i*) for every rupee of the first twenty thousand rupees of such excess	Nine pies in the rupee.
(*ii*) for every rupee of the next fifty thousand rupees of such excess	One anna and three pies in the rupee.
(*c*) in the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—	
(*i*) for every rupee of the next fifty thousand rupees of such excess	One anna and nine pies in the rupee.
(*ii*) for every rupee of the next fifty thousand rupees of such excess	Two annas and three pies in the rupee.
(*iii*) for every rupee of the next fifty thousand rupees of such excess	Two annas and nine pies in the rupee.
(*iv*) for every rupee of the next fifty thousand rupees of such excess	Three annas and three pies in the rupee.
(*v*) for every rupee of the next fifty thousand rupees of such excess	Three annas and nine pies in the rupee.
(*vi*) for every rupee of the next fifty thousand rupees of such excess	Four annas and three pies in the rupee.
(*vii*) for every rupee of the next fifty thousand rupees of such excess	Four annas and nine pies in the rupee.
(*viii*) for every rupee of the next fifty thousand rupees of such excess	Five annas and three pies in the rupee.
(*ix*) for every rupee of the next fifty thousand rupees of such excess	Five annas and nine pies in the rupee.
(*x*) for every rupee of the remainder of such excess	Six annas and three pies in the rupee.

PART III.

Adaptations of the Indian Income-tax Act, 1922, to provide for the summary assessments of income-tax on total incomes of less than Rs. 2,000.

1. The Income-tax Officer may, save where he has served a notice under sub-section (2) of section 22 of the Indian Income-tax Act, 1922, make a summary assessment of the income of an assessee to the best of his judgment, and shall serve on the assessee a notice of demand in a form to be prescribed by the Central Board of Revenue ; and such notice shall be deemed to be a notice of demand under section 29 of that Act.

2. Any assessee in respect of whom such summary assessment has been made, may, within thirty days of receipt of the notice of demand, make an application to the Income-tax Officer for the cancellation or revision of the assessment, and the Income-tax Officer shall, after examining any accounts and documents and hearing any evidence which the assessee may produce, and such other evidence as the Income-tax Officer may require, determine, by order in writing, the amount of the tax, if any, payable by the assessee, and such determination shall be final :

Provided that, if any assessee making such application files therewith a return of his income under sub-section (2) of section 22 of the Indian Income-tax Act, 1922, the application shall be deemed to be a return under that sub-section and shall be dealt with accordingly.

3. A copy of an order under paragraph 2 shall be served on the assessee to whom it relates and shall be deemed to be a notice of demand under section 29 of the Indian Income-tax Act, 1922.

4. The above procedure shall apply also to the assessment and collection during the financial year 1935-36 of incomes of Rs. 1,000 and upward and less than Rs. 2,000 which have escaped assessment in the financial year 1934-35.

This Bill has been consented to by the Council of State.

M. B. DADABHOY,

President, Council of State.

The April, 1935.

I assent to this Bill.

WILLINGDON,

Viceroy and Governor General.

The April, 1935.

This Act has been made by me as Governor General under the provisions of section 67B of the Government of India Act.

WILLINGDON,

Viceroy and Governor General.

The April, 1935.

WHEREAS I, Freeman, Earl of Willingdon, am of opinion that a state of emergency exists which justifies the direction by me that the Indian Finance Act, 1935, being an Act made by me under the provisions of section 67B of the Government of India Act, shall come into operation forthwith:

NOW, THEREFORE, in exercise of the power conferred by the proviso to sub-section (2) of that section, I do hereby direct accordingly.

WILLINGDON,

Viceroy and Governor General.

The April, 1935.

GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

A

BILL

TO

Fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1934, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax and super-tax, and to vary the excise-duty on silver leviable under the Silver (Excise Duty) Act, 1930.

GIPD—73(BR—S2—3-5-35—600.

S.N. 12

13

Issue 19-5-35

Issued 21.5.35

DEPARTMENT.

BRANCH.

File No.

Serial No.

Draft Letter / ~~Memorandum~~ / Telegram

Class for telegrams: Ordinary / *Express / Urgent* / Priority / Clear Line†

*Only for Foreign Telegrams.

†Not for Foreign Telegrams.

No. F.483/35/R.C.I. Dated 21/5/ 1935

To be issued on

Issued on

1st Reminder

2nd Reminder

3rd Reminder

Heading :

Case or Diary No.

If post copy of telegram required

Date of despatch of above

List of enclosures

(Code word for telegrams.)

To

The Assistant Commissioner of Income-tax,
C.& M. Station, Bangalore.

Copies of Indian Finance Act,1935.

Sir,

I have the honour to enclose 3 copie of the Indian Finance Act,1935, for -- information.

I have etc.,

For Commissioner of Income-tax.

17-5-35

19/5/35

S. 5.
MG1PC—S1—168(Genl)MFP—(M.1983)—3-5-34—50,000 Pads.